GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1789
ANSWERED ON:29.11.2002
UNIFORM RATE OF SALES TAX ON DRUGS
ADHIR RANJAN CHOWDHURY

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

to reply to unstarred question No.2049 answered on August 3, 2001 regarding uniform rate of sales tax on drugs and state:

(a) whether the Central Sales Tax on bulk drugs is 2.2% in Gujarat vis-Ã -vis 4% in other States; and

(b) if so, the steps Government have taken to withhold Central assistance and grant in the matter for not implementing Central Government decision on uniform floor rates as Sales Tax on bulk drugs?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (GINGEE N. RAMACHANDRAN)

(a) State Government of Gujarat has informed that Central Sales Tax on inter State sales of bulk drugs against `C` form is 2%.

(b) In a Conference of Chief Ministers held on 16th November, 1999, a consensus decision was taken to implement uniform floor rates on General Sales Tax levied on commodities including drugs. The decision to withhold Central assistance and grants was for not complying to implement the decision in respect of General Sales Tax only. Since Central Sales Tax is not a part of the scheme of uniform floor rates, no action is required to be taken by the Government of India.